Examining Insurance Needs for Childbirth Educators

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Abstract

In this column, the author presents three questions that childbirth educators may ask themselves in order to decide whether or not they should invest in insurance coverage.

Journal of Perinatal Education, 12(4), 44–46; insurance, childbirth education.

Question

Over a decade ago, I purchased insurance to cover teaching Lamaze Certified Childbirth Education classes, but I have not renewed my policy for some years now. How necessary is insurance?

Answer

That depends, and only you can decide. I suggest a three-part guideline test. Ask yourself the following questions:

1. What is my risk? What is the most that I can lose if not insured?
2. Who else shares that risk with me now?
3. What is the cost and coverage of the insurance?

Your risk involves at least two variables. First, consider what the chance is that you will be sued. Then consider that, if you are sued and are liable or responsible for any damages, what is the greatest loss that you would have to cover?

What Is Your Risk?

The chance that you will be sued may be very low. You probably do not engage in the highest risk activities, and you probably have a good relationship with your couples. Most teachers know this and do not ask themselves the next question, which is not as comfortable: What is the greatest loss that you would have to cover? First, you would likely need to pay *attorney fees*. If you do not know what these would be, call the office of a local attorney and ask for an estimate. Then you have to figure the *potential damage* to a client. This is your bigger problem. Childbirth educators deal with young adults and new babies, a group in which the greatest financial loss from malpractice or accident can occur. What if your well-intended advice that a woman need not call her doctor now causes that woman to rely on you and results in a brain-damaged child? A scenario such as this can create high costs for a lifetime. Few of us can afford such costs. Can you afford the small risk of a great loss? Are you comfortable with that?

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Who Else Shares That Risk with Me Now?

Are you an independent contractor or an employee? If you are an independent contractor, do you teach at home, in a clinic, or in an office? If you are a self-employed childbirth educator who works out of a nice classroom in your home, the very small chance of a very great loss is dependent upon you. That loss includes not only concerns arising from negligent information or advice, but also from any mishaps on your property, such as the infamous “slip-and-fall” episode or even food poisoning from the class snacks. What if a pregnant woman slips in your wet hallway and goes into preterm labor?

If you are teaching outside your home, obtain information from the organization’s attorney or administrator or from your supervisor if you are an employee. Address

your concern with that person, not just with other staff members or your teacher friends. Learn more about the organization’s role and yours. What are the organization’s responsibilities and liabilities? What are your responsibilities? What are your liabilities? What insurance does the organization have, and what does it cover that might decrease your personal risk of loss?

You may already have your own insurance that will protect you at least partially as a childbirth educator. A complete evaluation of your risk sharing includes checking with your nursing or other professional malpractice insurance company and with your agent for homeowner’s insurance if you teach at home.

What Is the Cost and Coverage of the Insurance?

The purpose of insurance is to share risk. The goal is to protect individuals from ruin. Insurance coverage costs more for higher risks and less for lower risks. If you have malpractice insurance that is very expensive, it usually means that the risk of occurrence combined with the cost is very high. The opposite is true if the insurance is inexpensive.

In some cases, the chance of occurrence may be high, but the loss per event is low. In those cases, many people decide they can afford an event and, thus, choose to “self insure” (i.e., to pay any losses themselves from what they would save by not getting insurance). An example of this is buying a VCR, but not the extended warranty that the store offers. The risk that the VCR will have a problem after the first year is moderate; additionally, it would not financially “break” you to pay for repairs. By then, you might want something different, anyway. This is a reasonable decision not to insure. For childbirth educators as a group, the chance of an occurrence is low, but the cost per event may be quite high. That is exactly the scenario for which insurance exists. Be sure that you look over any policy before you purchase it, verifying

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that it covers what you want covered, including legal representation.

Conclusion

In summary, use this simple, three-tiered guideline test to evaluate your risk and make a decision that is both informed and comfortable for you. If you conclude that, as a childbirth educator, you currently have a very small chance of a very great loss and that you are carrying this risk alone, then insurance to cover teaching Lamaze was made for you. Failing to protect yourself could be “penny wise and pound foolish.”

If you find yourself in another category, as many of us are, it may be helpful to discuss your options and the answers to these three questions with a financial advisor (not an insurance salesperson), a trusted colleague, or a family member. Because this concerns you enough to send in the question, you may feel very relieved by spend-

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ing the small amount for insurance, regardless of risk. Then you can enjoy both the tax deduction and your teaching. Peace of mind can add a lot to the quality of life. In the end, you are the one who decides how much risk you are willing to assume.

Editor's Note

“Ask a Lawyer” answers are not official Lamaze International positions and are not intended to substitute for consulting with your own attorney. Nayna Philipsen welcomes your questions. Please send them to “Ask a Lawyer,” Lamaze International, 2025 M Street NW, Suite 800, Washington, DC 20036-3309 or via e-mail to naynamom@aol.com.